

Divestment & ENVIRONMENTAL JUSTICE

The Role of
Community
Stakeholders

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Table of Content

Chapter 1: Why Local Community Summit on Oil Divestment and Environmental Justice

Chapter 2: Executive Director's Welcome Address

Chapter 3: Environmental Justice Strategy for Strengthening Indigenous Knowledge

Chapter 4: Environmental Accountability: Using Beneficial Ownership Disclosure Reforms on Divesting IOCs

Chapter 5: Community Voices

Conclusion.



Chapter 1

Why Local Community Summit on Oil Divestment and Environmental Justice

Context

The Niger Delta has been disproportionately affected by environmental pollution due to oil extraction, resulting in widespread ecological degradation, land and water pollution, and a severe decline in the

quality of life for local communities. Local communities in the Niger Delta have historically been neglected and excluded from major international climate forums like COP, despite being among the most affected by environmental harm. This project addresses this imbalance. The environmental damage in the Niger

Delta is contributing to the global climate crisis. Addressing these issues locally aligns with global efforts to combat climate change. It equips local communities with knowledge and tools, such as emission reduction methods and environmental protection strategies, needed to create a sustainable and healthy environment.

The project aimed to establish the “Local Community COP on Divestment and Environmental Justice” in the Niger Delta. This initiative was to identify and engage communities affected by environmental pollution from oil extraction and degradation. The project focused on increasing community awareness on IOCs’ divestment plans and their implications, holding them accountable for damages to the ecosystem, livelihoods, and health.

Activities include community engagement, organizing a Local Community COP Convention, and educating communities on environmental accountability using the beneficial ownership disclosure policy. The project’s ultimate goal was to empower local communities to demand environmental justice, remediation, and an end to fossil-fuel exploitation.

The project empowers local communities, including youth, women’s groups, and traditional leaders to become advocates for environmental justice, allowing them to actively participate in decisions that affect their well-being. To hold oil companies accountable for their role in environmental degradation and empower communities to demand remediation and justice.

By fostering alliances and participation, the project strengthens community organizing strategies and amplifies the voices of impacted communities in the fight against fossil-fuel colonialism and exploitation.

Where?

Niger Delta region of Nigeria; Agbarho community played host for the event, together with other local Communities from the other Niger Delta States, that are interconnected and face similar problem in Niger Delta.

How?

Community organizing and mobilization strategy was deployed
Engaging communication using pidgin English (Local Languages)
Upscaling indigenous perspectives and voices to demand environmental justice
Asking key questions to be sure they’re on track and to ensure feedback.

Objectives

Sharpen local community skills to demand for environmental justice and amplify their voice through storytelling on the implication of divestment without remediation.
Deepen conversation on local climate actions, advancing indigenous knowledge, responsibilities and an opportunity to bridge the

climate crisis gaps through collective impact.
Create opportunities for local community to take ownership of the collective impact sessions by leading engagement to demand for environmental rights before divestment.

Increase knowledge and strengthen participants' skills on related policy and advocacy tools.
Approaches to share knowledge from the conventional COP and beneficial ownership disclosure.





Chapter 2

Executive Director's Welcome Address

- Prince Israel Orekha

Greetings to everyone attending this local community summit on oil divestment and environmental justice!

On behalf of Connected Advocacy and partners, I would like to welcome you all to this important gathering. We are honored to have you here with us to discuss the important issue of local community, oil divestment and environmental justice, transitioning from fossil fuels and strengthening indigenous knowledge to bridge climate action gaps. It is our hope that

through our discussions, we can find ways to work together to create a more sustainable future for our planet.

After the recent COP28 conference, the imperative to ensure that local community voices are heard in oil divestment and environmental justice became more pronounced.

The neglect of local community issues at COP28, other regional events, and the devastating condition of our environment underscore the urgent need for action, particularly in regions



like the Niger Delta, where we can no longer breathe, farm, or stay healthy due to pollution and environmental degradation. Our communities continue to bear the disproportionate burden of climate change impacts

We are looking at issues of the IOCs divestment without remediation and compensation, and its implication to our community, considering stranded assets, stranded personnels and stranded community after divestment. The question is, who will fix the environmental damages? The need for the community to get organized and start to speak with one voice, to demand for environmental justice, is now.

I would also like to extend a special welcome to the Indigenous community members who have joined us today. Your knowledge and expertise are vital to finding solutions to the climate crisis. I am humbled to stand with you as we work to build a brighter future for generations to come.

I want to thank everyone for taking the time to participate in this summit, and I look forward to the important conversations we will have over the next few hours. Let us work together to find solutions that will benefit all of us, and our planet. Together let's Save Niger Delta Environment Now. Thank you, and welcome!



Chapter 3

Environmental Justice Strategy for Strengthening Indigenous Knowledge

-Babawale Obayanju

"No community should be saddled with more environmental burdens and less environmental benefits than any other." -Majora Carter

Environmental Justice

All people and nature have a right to be protected from environmental pollution, and to live in and enjoy a clean and healthful environment

The Principles of Environmental Justice

Prevention Principle: aims to prevent environmental damage; such as to protect species or to natural habitats, water and soil; rather than to react to it. It requires preventive measures be taken to anticipate and avoid

environmental damage before it happens. The principle of prevention advocates for taking proactive measures to safeguard the environment before-hand. It adopts a proactive stance, emphasizing the avoidance of damages by preventing them, rather than waiting for harm to occur and then attempting to rectify it.

Rectification at Source Principle: means that every environmental damage should, as a matter of priority, be addressed by targeting its original cause and taking preventive action at the origin of the problem. This ensures that damage or pollution is dealt with where it occurs.

Polluters Pay Principle: those who produce pollution should bear the costs of managing it to prevent damage to human health or the environment. For instance, a factory that produces potentially poisonous substances as a by-product of its activities is usually held responsible for its safe disposal. The oil and gas companies polluting our environment with oil spills are the ones responsible to pay for the clean-up.

Precautionary Principle: this principle requires that, if there is a strong suspicion that certain activity may have environmentally harmful consequences, it is better to control that activity now rather than to wait for incontrovertible

scientific evidence. This principle is valuable in managing risk where there is uncertainty about the environmental impact of an issue.

Indigenous Knowledge

Understandings, skills, traditions/beliefs and philosophies of indigenous peoples, developed through long and multigenerational histories of interaction with the natural world and adapting to highly variable and changing ecological and social conditions (UNESCO 2017)

What is Climate Action?

Efforts taken to combat climate change and its impacts. What we have done (still doing) to adapt or mitigate climate impacts

A short history of human induced climate change

Climate change: the long-term alteration in Earth's Climate and weather patterns.

It took almost 100 years of research and data to convince most scientists that human activity could alter the climate of the planet.

In the 1800s, experiments showed that human-produced CO₂ and other gasses could accumulate in the atmosphere and insulate the Earth.

By late 1950s, CO₂ readings offered concrete data to corroborate the global warming theory.

By the 1980s it became clear that the global climate was changing

Major Donors

We shall be looking at four major human activities that joyfully donate carbon and other greenhouse gasses to the Earth

- a. Burning fossil fuels
- b. Deforestation
- c. Industrial Agriculture
- d. Transportation

Climate Change is: a social and environment + ecological justice issue, an intersection of issues (gender, political and economic relations/ domination; a system issue)

Key Justice Issues

Temperatures must be kept below 1.5°C above pre-industrial levels

Just transition/System Change

Trade agreements and dirty energy-pollution from offshore production must count for pollution from consuming nations, (e.g US consumer goods produced in China).

Remaining carbon budget must be divided equitably according to CBDR, capacity and rights to sustainable societies

Ensure climate jobs

Recommendations

1. Co-create solutions: work collaboratively with indigenous communities to co-create environmental justice strategies that strengthen indigenous knowledge.
How do we incorporate traditional practices, reawaken

2. Address Structural Inequities: Address any underlying structural inequities and historical injustices that contribute to environmental injustice for your people. Advocate for policies and initiatives that promote land rights, sovereignty and self-determination of your communities.
3. Capacity Building: support capacity building initiatives within your communities to empower community members to actively participate in environmental decision-making processes, advocacy efforts and climate action initiatives.
4. Advocate for policy change: Advocate for policy changes at local, national and international levels to mainstream environmental justice principles and strengthen the role of indigenous knowledge in climate action. This may involve educating our children who want to contest for elections, create room for truly engage our people in House of Assembly, House of Representatives and the Senate, policy makers, raising awareness and building coalitions with other stakeholders
5. Monitor and Evaluate Impact: Establish and re-establish mechanisms to monitor and evaluate the impact of environmental justice strategies that works, observed changes in the community. This includes those great cultural traditions, and promote community-led initiatives?

tracking changes in environmental outcomes, community resilience, and socioeconomic well-being, as well as assessing the effectiveness of policy interventions.

6. Foster Knowledge Exchange: Facilitate/arrange for knowledge exchange and learning opportunities between indigenous communities, policy makers, researchers, and practitioners to promote cross-cultural understanding, mutual learning and innovation in environmental justice efforts.

Global warming is a fact and it is here with us. The climate crisis beyond just carbon, methane and Nitrogen, it's a crisis of inequalities and injustice to the people who contribute the least to the problem. As we find ways to slow it down/ stop it from getting warmer, and prepare to adjust to its impact, we must do it with justice and equity in mind. The quest is not just stopping the fossil fuel addiction alone, we must also begin to change our consumption patterns.





Chapter 4

Environmental Accountability: Using Beneficial Ownership Disclosure Reforms on Divesting IOCs

-Mfon Gabriel

Background

The Extractive Industries Transparency Initiative (EITI) is a global standard that aims to promote greater accountability and transparency in the extractive industry.

It is twenty years since the Extractive Industries Transparency

Initiative (EITI) was formally launched in London in 2003, with a mandate to improve governance of the extractive sector through increased transparency and accountability. Since then key reforms beneficial to the oil, gas and mining sectors were introduced by countries that signed onto the EITI. Over 50 countries

have committed to strengthening transparency and accountability of their extractive sector management by implementing the EITI standard. Former President Olusegun Obasanjo committed to the EITI in November 2003 and launched Nigeria EITI, known as NEITI, in February 2004, right at the start of the global EITI process. Countries are assessed on their progress in meeting the requirements of the EITI Standard through validation, the EITI quality assurance mechanism. Some countries have been suspended for failing to meet the requirements of this standard.

We shall examine some of the reforms the EITI has brought about, including requirements on environmental accountability, that implementing countries like Nigeria are bound to implement.

Key Reforms Introduced by the EITI

Requirement 4.1: Payments-to-Government (PtG): The objective of this requirement is to ensure *comprehensive disclosures of company payments and/or government revenues from oil, gas and mining as the basis for detailed public understanding of the contribution of the extractive industries to government revenues.* a) Implementing countries are required to disclose all material payments by oil, gas and mining companies to governments (“payments”) and/or all material revenues received by or on behalf of governments from oil, gas and mining companies (“revenues”) to a wide audience in a publicly

accessible, comprehensive and comprehensible manner

Requirements 2.4 Contract

Transparency: When EITI countries commit to contract transparency, they accept to *publicly disclose the full text of any contract, license, concession or other agreement governing the exploitation of oil, gas and mineral resources.*

Requirement 2.5 Beneficial

Ownership: The real owners of extractive companies, known as the beneficial owners, are often kept anonymous or hidden by a chain of shell companies. This can be a particular challenge in the extractive industries, where *knowing who has the rights to extract oil, gas and minerals is key to addressing risks of corruption or conflict of interest.*

Requirement 3.4 Environmental

Accountability: *Companies are encouraged to disclose greenhouse gas (GHG) emissions in alignment with existing leading disclosure standards.* Where feasible, the multistakeholder group is encouraged to request disaggregated disclosures.

Requirement 6.1 Social expenditures and environmental payments

The objective of this requirement is to enable public understanding of extractive companies’ social and environmental contributions, and to provide a basis for assessing extractive companies’ compliance

with their legal and contractual obligations to undertake social and environmental expenditures.

Requirement 6.4 Environmental and social impact of extractive activities The objective of this requirement is to provide a basis for stakeholders to assess the adequacy of the regulatory framework and monitoring efforts to manage the environmental and social impact of extractive industries, and to assess extractive companies' adherence to environmental and social obligations.

Since Nigeria is an implementing country of the EITI standard, it is bound to disclose the implementation of these requirements on annual basis to all Nigerians, and NEITI has been churning out Oil, Gas and Mining Audits reports in this regards, auditing Nigeria's performance to this standard. What is more important, is the use of this data by Nigerians to demand accountability from government and industry actors.

Causes for Environmental Pollution

Environmental contamination originates either from nature or from humans. Environmental contamination by nature refers to natural calamities or nonhuman interventions, such as volcanic eruptions, fluctuations in solar radiation, tectonic shifts, and even small changes in our orbit have all had observable effects on planetary warming and cooling patterns.

The second type of contamination is caused by humans, and it involves all the residuals that are related to the consumption and production of gasses and particles from the chemical wastes of manufacturing processes. Fossil fuels – coal, oil and gas – are by far the largest contributor to global climate change, accounting for over 75 percent of global greenhouse gas emissions and nearly 90 per cent of all carbon dioxide emissions.

Environmental Accountability

Environmental accountability *involves reporting and analyzing financial and nonfinancial environment-related disclosures.* It also gives stakeholders information on the cost-and-benefit analyses of business activities that affect the environment

Environmental accountability refers to the right of stakeholders to assess and decide actions that affect the natural environment.

Environmental accountability can prevent or mitigate negative social and environmental impacts, and protects against abuses of power.

Environmental Reporting and accountability must includes *the costs to clean up or remediate contaminated sites, environmental fines, penalties and taxes, purchases of pollution-prevention technologies, and waste-management costs*

Why Environmental Accountability?

The corporate sector must be accountable for reporting a consequence.

According to Stewart, J.D accountability is a process in which penalty and reward are granted on the basis of approval or blame. The corporate sector becomes accountable for the assurance of environment-related matters. There should be a framework/mechanism for the accountability of corporations with regard to environment-related activities.

Organizations' rewards and punishments depend on compliance and noncompliance with corporate environmental accountability. Corporations are then led to report their practices as a responsibility of their accountability.

Environmental Legal Frameworks in Nigeria to Hold Industry Actors Accountable

Some of the legal provisions and regulations with regards to environmental health and safety include:

- Upstream Petroleum Environmental Regulation 2022
- Environmental regulations for Midstream and Downstream Operations 2022
- The Petroleum (Drilling and Production) Regulations 1969 Sections 21-25 and 36
- The Petroleum Regulations 1967, the Oil in Navigable Waters Decree No. 34
- Regulations 1968
- The Petroleum Refining Regulations 1974 Section 27, 35, 38 & 434

- Environmental Guidelines & Standards for the Petroleum Industry in Nigeria (EGASPIN) 2018
- Environmental Remediation Fund 2022
- Environmental Management Plan Regulation 2022
- National Gas Flare Elimination Master plan Decommissioning and Abandonment Plan Regulation 2022
- Decommissioning and Abandonment Fund Regulation 2022

Divestment Frenzy By IOCs

Shell, ExxonMobil, Chevron, Eni and Total are all involved in efforts to offload their onshore and shallow-water assets. Fields that once accounted for more than two-thirds of all of Nigerian oil production no longer represent value for multinationals, whose access to financing is critical for their development.

Offshore deep-water oil blocks seem to be devoid of community issues, relations, corporate social responsibility obligations, oil theft, and other 'disruptions', which have seemingly unsettled the IOCs.

Beginning in 2010 and led by SPDC, IOCs operating in Nigeria have divested 26 assets. Seplat (formed as an SPV by Shebah and Platform) took OML 4, 38 and 41 off Shell in 2010 for a reported \$340m.

Other transactions have happened subsequently; Neconde (OML 42) in 2011, Eroton (OML 18) in 2014,

First E&P (OML 83 and 85) in 2014, Aiteo (OML 29) in 2015 and just last year, Trans-Niger Oil and Gas (TNOG) (OML 17)

Using Beneficial Ownership Disclosures to Hold Industry Actors to Account

The real owners of extractive companies, known as the beneficial owners, are often kept anonymous or hidden by a chain of shell companies.

CAMA 2020 Section 120 (2) A person is a substantial shareholder in a public company if he holds himself or by his nominee, shares in the company which entitle him to exercise at least 5% of the unrestricted voting rights at any general meeting of the company.

Section 7f of the Petroleum Industry Act 2021 The Commission shall:

Keep public register of Licences and leases granted by the Minister and permits and other authorisations issued by the Commission

Beneficial Ownership

Award, renewal, assignment, suspension and revocation

Sources of Beneficial Ownership Data

NEITI: <https://bo.neiti.gov.ng/org>

Open Ownership Register: <https://register.openownership.org>

NUPRC NOGABOR Portal: <https://nogabor.nuprc.gov.ng>

CAC BO Portal:

<https://search.cac.gov.ng/list>

<https://bor.cac.gov.ng/>

UK Company House Register

<https://www.gov.uk/government/organisations/companies-house>

Companies' Annual Report

Who are the beneficial owners of the IOCs divesting their assets in Nigeria?

Shell Petroleum Development Corporation (SPDC)

Mobil Producing Nigeria Unlimited

Chevron Nigeria Limit

Eni (Nigeria Agip Oil Company (NAOC)

Total Energies Exploration and Production Limited

Search for the identity of the owners: such as their name(s), nationality and country of residence. In addition, check whether any is a politically exposed persons holding ownership rights in the company

These companies have failed to disclose their beneficial owners in Nigeria, at most, they only present the parent companies as their owners, and these parent companies are outside the shores of Nigeria. The parent companies have a complex ownership structure, as the parent companies are owned by chains of companies or multiple companies, and none holds ownership shares up to the required thresholds, this gives them a cover not disclose the real persons behind the companies.



Challenges with the Beneficial Ownership Principles

Beneficial Ownership disclosure thresholds to high and gives room for company owners to hide their identity, thereby making it difficult for host communities in Nigeria to hold the real owners accountable for environment pollution in Nigeria.

Recommendations

1. Environmental remediation/restoration before divestments
2. Call for the publishing and accessibility of company's sustainability/environmental report
3. Call for the publishing of environmental reporting by regulators -NEITI, NUPRC, NOSDRA, NESREA,
4. Call for the implementation of the National Gas Elimination Plan
5. Call for the uploading and accessibility for all the decommissioning and abandonment Plans and funds
6. Call for the publishing for National Gas Elimination Plans, Environmental Management Plans and Environmental Remediation Fund
7. Reduction in the beneficial ownership threshold regime from 25% to below 5% in the Americas and Europe,



Chapter 5

Local Community Voices

Oil and gas host communities in Agbarho, Delta states were asked questions of climate change faced by them and the climate actions taken by them. These were the aggregated responses we got and recommendations they made:

Question	Most common response	Percentage
1. What risk does your locality pose to you with respect to climate change?	Deforestation	30%
	Water pollution	20%
	Land degradation	15%
	Air pollution (Gas flaring)	25%
	Flood	10%

<p>2. How do you prepare for changing weather?</p>	<p>Afforestation</p>	<p>25%</p>
	<p>Water Conservation</p>	<p>20%</p>
	<p>Limiting bush burning</p>	<p>15%</p>
	<p>Organic Farming</p>	<p>20%</p>
	<p>Use of irrigation</p>	<p>20%</p>
<p>3. How is land resources preserved and protected in your community?</p>	<p>Enforcing government polices</p>	<p>25%</p>
	<p>Afforestation</p>	<p>30%</p>
	<p>Reforestation</p>	<p>20%</p>
	<p>Community Awareness program</p>	<p>15%</p>
<p>4. How do you ensure that your people survive in the face of environmental challenges?</p>	<p>Digging wells/boreholes</p>	<p>20%</p>
	<p>Use of organic fertilizers</p>	<p>25%</p>
	<p>Agriculture and Animal Rearing</p>	<p>20%</p>
	<p>Preservation of forests</p>	<p>15%</p>
	<p>Adaptation of solar energy</p>	<p>20%</p>
<p>5. What risk does your community pose to you?</p>	<p>Floods</p>	<p>25%</p>
	<p>Gas flaring</p>	<p>20%</p>
	<p>Oil spill</p>	<p>30%</p>
	<p>Land Erosion</p>	<p>15%</p>

	Deforestation	10%
6. What actions are being taken to address climate change locally?	Renewable Energy adoption	20%
	Carbon emission reduction	25%
	Climate adaption measures	20%
	Reforestation initiatives	15%
	Climate awareness campaign	20%
7. How do you prepare for natural disaster such as flood or storms	Earth warming systems	25%
	Evacuation planning	20%
	Infrastructural resilience	15%
	Community training	20%
	Emergency supply	20%
8. How do you mitigate the impact of pollution in your community?	Recycling	20%
	Proper waste disposal	25%
	Pollution monitoring	15%
	Environmental education	25%
	Advocacy and awareness	15%
9. What are the primary environmental concern in your Community?	Water pollution	30%
	Air pollution	15%
	Soil degradation	20%

	Waste management	20%
	Deforestation	15%
10. What measures do you take to conserve natural resources?	Energy Conservation	20%
	Water Conservation	25%
	Sustainable Agriculture	20%
	Forest Protection	15%
	Wildlife Conservation	20%

This tabular format provides a clear overview of the community responses to each question, highlighting the most common concerns and the percentage distribution of responses.



Conclusion

In conclusion, the discourse on divestment and environmental justice underscores the critical role of local community stakeholders in advocating for change and holding accountable those responsible for environmental degradation. Through initiatives like the Local Community Summit on Oil Divestment and Environmental Justice, communities have the opportunity to amplify their voices, foster collaboration, and drive meaningful action. This sets the tone for collective action, emphasizing the importance of indigenous knowledge and community engagement.

Environmental justice strategies provide frameworks for leveraging local expertise and traditional wisdom to address environmental challenges effectively. Moreover, reforms in beneficial ownership disclosure, offer avenues for enhancing transparency and accountability in the divestment process. Ultimately, the power of community voices, as highlighted in the analysis, lies in their ability to catalyze change, advocate for justice, and safeguard the well-being of present and future generations. As we navigate the complexities of divestment and environmental justice, let us remain steadfast in our commitment to collective action, sustainability, and the protection of our shared environment. Together, we can strive towards a future where all communities thrive in harmony with nature.